

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
TracFone Wireless, Inc. Emergency Petition for Declaratory Ruling and Interim Relief)	
)	

REPLY COMMENTS OF PUERTO RICO TELEPHONE COMPANY, INC.

TO THE HONORABLE COMMISSION:

Puerto Rico Telephone Company, Inc. ("PRTC"), in response to the Public Notice released February 27, 2012 (DA 12-295), by its undersign attorneys hereby submits its reply comments on the Emergency Petition for Declaratory Ruling and Interim Relief filed by TracFone Wireless, Inc. ("TracFone")¹.

In its petition, TracFone has asked the Commission to issue an order concluding that the recent directives issued by the Telecommunications Regulatory Board of Puerto Rico ("TRB") requiring ETCs to de-enroll a significant amount of Lifeline customers identified as "duplicates", are unlawful and inconsistent with this Commission's rules and policies and therefore, the TRB's duplicate resolution process should be preempted. The Commission sought comments and reply comments on this issue by March 9, 2012 and March 19, 2012, respectively.

Besides TracFone, other ETCs like T-Mobile, USA, Inc. ("T-Mobile") and Sprint Nextel Corporation ("Sprint") filed their comments in this proceeding, as well as the National Association of State Utility Consumer Advocates ("NASUCA") and the TRB.

¹ TracFone Wireless, Inc., Emergency Petition for Declaratory Ruling and for Interim Relief, WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45 (filed Feb. 22, 2012) ("TrackFone Petition").

Similar to TracFone and other ETCs in Puerto Rico, PRTC has received letters from the TRB demanding to de-enroll thousands of customers allegedly because they were receiving the Lifeline benefit in more than one provider or in more than one telephone (wireline or wireless) within their family unit.

In fact, PRTC sent the required notifications and have discontinued the Lifeline benefit effective on March 1, 2012 to those customers reported by the TRB as duplicates based on the Social Security number. The notification process for the customers reported by the TRB as duplicates based on family unit ('physical address") is on its way and the benefit will be canceled on April 1, 2012.

As many other ETC's, PRTC is willing to adopt measures to eliminate waste, fraud and abuse of program resources and eliminate funding for ineligible consumers that can be implemented without depriving those low-income customers of any Lifeline supported service. As Sprint has stated, PRTC believes that the FCC has taken aggressive steps to address this problem, both on an interim basis (through the on going IDR process) and on a comprehensive basis (through its recently released Lifeline Reform order).² PRTC believes the TRB should adopt the FCC's processes and procedures regarding the IDR process.

However, recently the Board released an order declaring that, "[a]lthough the Board is still gathering information on this issue, based on the information gathered to date, the Board resolved, on March 7, 2012, that customers who had been receiving a duplicate service could continue receiving one benefit from the first provider."³ The TRB has not yet informed PRTC about the process it will be implementing to notify the customers who already lost the benefit or how the ETCs will be re-enrolling them back. Moreover, PRTC entirely disagrees with the TRB's conclusion of "improper and fraudulent sales practices" by carriers "[b]ased upon information from recipients who have utilized the Board's appeal process, [and for that reason]

² Comments of Sprint at 2 (citation omitted).

³ Comments of the TRB at 2.

the Board believes that many of the duplicate payments are the result of misconduct by the carriers, and not the recipients.”⁴

PRTC still very concerned about how the TRB implemented the debarment process and as explained below, it agrees with many of the comments presented by TracFone, T-Mobile, Sprint and NASUCA.

PRTC agrees with T-Mobile’s comment “that state and federal efforts should be based on uniform requirements and should follow uniform procedures.”⁵ Since 1997, PRTC was designated as an ETC to receive funds from the federal and local programs of Universal Service⁶. Since its designation, PRTC has complied with all the requirements of both programs. Thus, a major concern is that different eligibility criteria and procedures will cause different qualifications results for the same lifeline customer. As an example, “the Commission’s new rules take specific steps to ensure that different “households” (defined by the rules as any individual or group of individuals who are living together at the same address as one economic unit) residing at the same residential address are entitled to Lifeline service”⁷. Conversely, the TRB considers the address to identify if more than one Lifeline service is being received in that address, independently of the amount of economic units that are living together. The TRB commented that their “interim rules also provided that, in a family unit, if two or more people in the same family unit were receiving Lifeline funds, then the person who began receiving funds first in time would continue receiving the funds for the unit, but the remaining recipients would no longer be able to receive funds.”⁸ Unfortunately, PRTC is unaware of how the TRB is evaluating the family members of a single unit for purpose of this rule. Thus, the TRB “needs to establish a process to deal with cases of multiple households that share a single address and

⁴ *Id.*

⁵ Comments of T-Mobile at 1.

⁶ See TRB’s Resolution and Order of November 25, 1997 in the Case Number 97-US-0001. On November 17, 2005 the designation was confirmed and concluded that for purposes of the Universal Service programs, the designation (JRT-CERT-0001) includes both the wireline and wireless operations of PRTC.

⁷ Comments of T-Mobile at 3.

⁸ Comments of the TRB at 8.

has just begun to look into those cases in which the subscribers have lost their subsidies but claim to be eligible".⁹

Finally, PRTC informs this Commission that periodically provides the TRB with the information required on its Lifeline subscribers and continues to encourage the TRB to finalize the implementation of a duplicate resolution process in a mutual agreement with all ETCs and restart the Lifeline reimbursement that ceased more than a year ago without a reasonable justification.

Respectfully submitted,

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March 19, 2012

⁹ *Id.*